

Catalyzing impact, solidarity, and systems change

- Impact Investment Landscape in Japan -

Panel Session 5 : “Impact Investment in Japan and ASEAN: How is the Impact Investment Ecosystem Built?”
Nikkei Forum: “Frontiers of International Finance – Scenarios for Japan's Prosperity”
October 2023

Michiru TODA / 戸田 満

Deputy Chief of Impact Economy Lab, Japan Social Innovation and Investment Foundation (SIIF)

The Secretariat Lead, Japan GSG National Advisory Board

toda.michiru@siif.or.jp

About me, and about us

About me

Michiru TODA / 戸田 満

- Born in Tokyo in 1987
- A son of a consumer activist and a peace & environment thinker, a husband of a teacher, and a father of two curious & confident daughters.
- **Deputy Chief of Impact Economy Lab**
Japan Social Innovation and Investment Foundation (SIIF)
- Practitioner of Zen and Karate-do



Education

- BA in Gender Studies, Sociology from the University of Tokyo
- MSc in Development Management from LSE, and the Summer Research Program at Tsinghua University

Work

- Startups (early to late) in India and Japan for global marketing
- The International Labour Organization (ILO-HQ, the UN) in Switzerland for the Future of Work Initiative and concurrently in G7/G20 Secretariat
- **Japan Social Innovation and Investment Foundation (SIIF)**
 - Impact bonds deal structuring and financial scheme development
 - Impact Management hands-on support to impact entrepreneurs (investees)
 - Policy advocacy to government and international agencies
 - Research on impact investment as **the Secretariat of GSG Japan NAB**
 - Exploration of system changes for a new economy at Impact Economy Lab
 - Management and strategic planning for SIIF

Research Themes

- Business' Purpose in the Modern Social Contracts, and System Changes – What era are we living in?
- Studies on Humanity, and Transformation of Self by “Wisdom of Oneness” & Citizenship in 21st century – Who are we? Where are we coming from and going to?

Establishment: SIIF was founded in 2017 with the support to the Nippon Foundation to play **a catalytic role in building an impact investing ecosystem in Japan.**

Mission: To build an ecosystem for the circulation of social and economic resources that transcends the framework of self-help, public help and mutual help

Solving Social Issues with New Forms of Economies

Create Impact



Create a system
to change the society



Support the activity
to change the society



Cultivate the culture
to change the society

SIIF's First 5 Years since 2017

Pioneering Social Impact Bonds Spearheaded the first-ever Social Impact Bond projects in Japan. Supported deal structuring and invested in 8 such projects.

Establishment of Groundbreaking Impact Funds In collaboration with financial institutions, founded Japan's first substantial Impact Fund, "Hataraku Fund," with a capital of 3.65 billion JPY.

Impact Management Hands-on Support to Impact Entrepreneurs

Utilization of Dormant Deposits

Community Management and Advocacy Operate the Secretariat for the GSG Japan National Advisory Board and the Secretariat for the Japan Impact-driven Financing Initiative

Market Research Conducted Japan's first market research targeting financial institutions and institutional investors in the field of impact investing, as well as consumer awareness surveys.

**SIIF's Current Focus:
Systems Change and Catalytic Capital**

About GSG Japan National Advisory Board (GSG Japan-NAB)

The GSG Japan-NAB Japan contributes to the development of the market and ecosystem for impact investing through research and publication, awareness-raising, and networking activities.

2014 July

GSG Japan-NAB established

2016 September

The first "Annual Impact Investor Survey of Japan" published

2019 September

Impact Investment Forum held

2020 June

Impact Investing Roundtable cohosted with Japan FSA

2021 November

IMM Guide published

202X

Japan NAB Phase 2
Toward Impact Economy

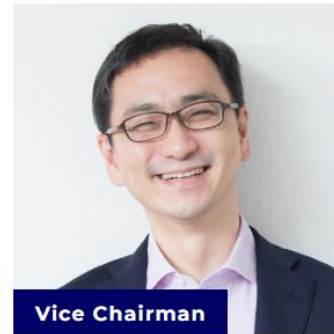
Chairman



Chairman

Ken Shibusawa

Chief Executive Officer Shibusawa and Company, Inc.



Vice Chairman

Masataka Uo

Founder and CEO Japan Fundraising Association

Secretariat



日本ファンドレイジング協会



K-three
クイズリー株式会社

Copyright© 2023 SIIF All Rights Reserved

Key Outputs and Activities



Annual Impact Investor Survey



IMM Guide for Impact Investors



Policy Proposal on impact investing



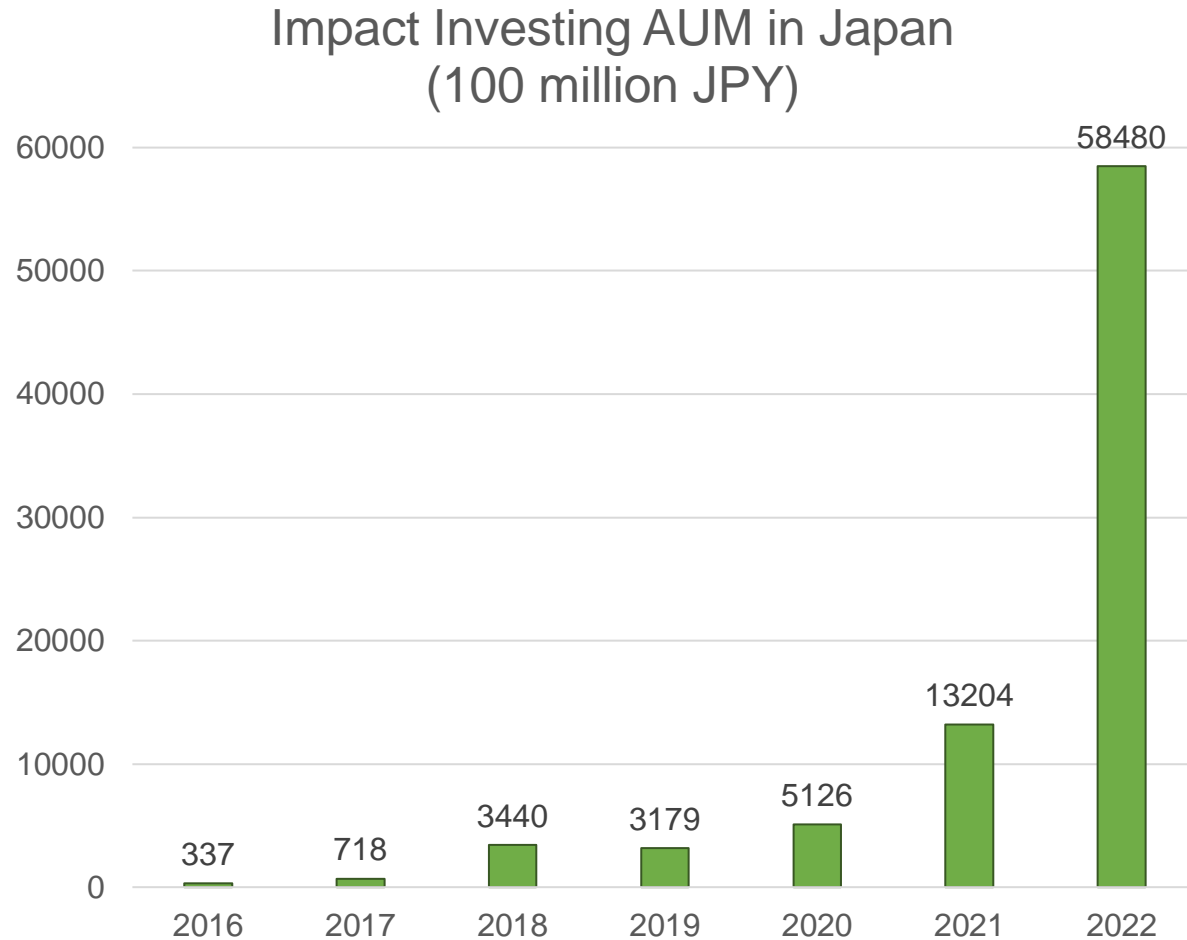
Concept Paper of Impact IPO



Japan NAB Roundtable

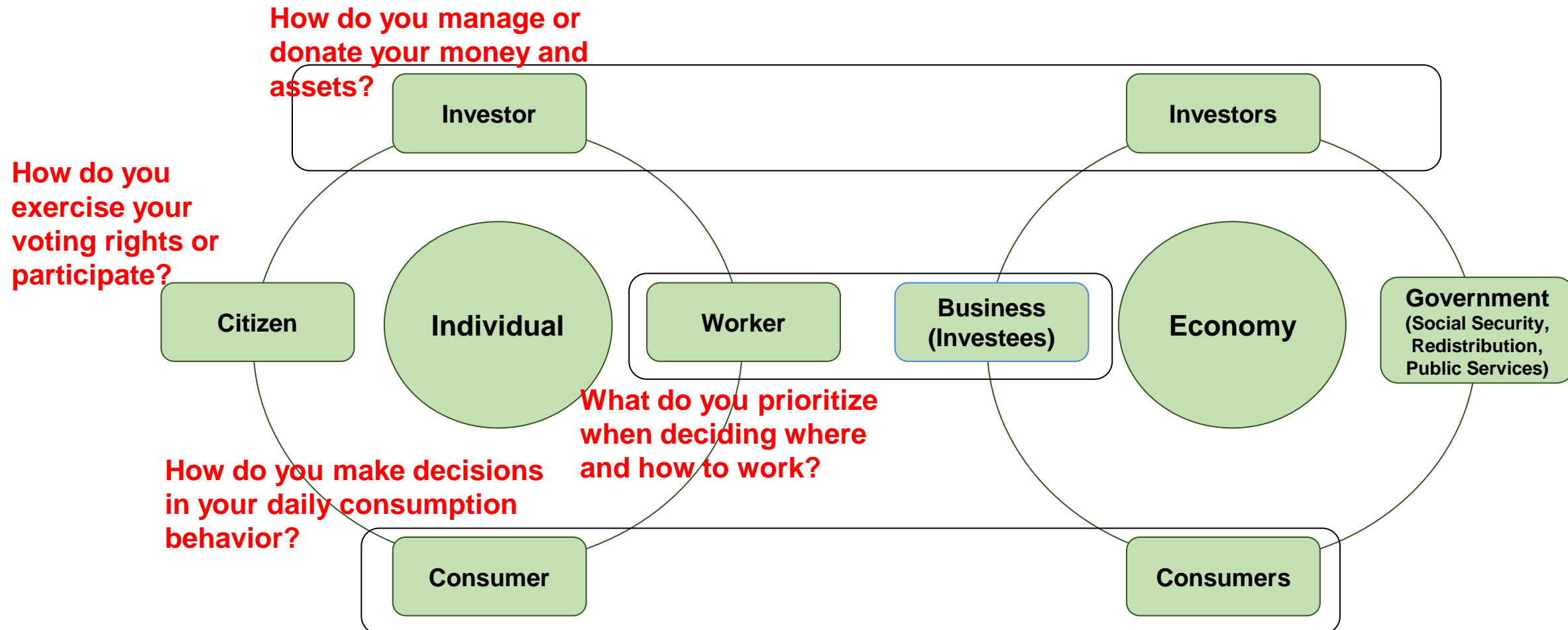
Impact Investing and Impact Economy in Japan

Japanese impact investing market is **growing rapidly**. The impact momentum is led **by impact investors (supply side), impact companies (demand side), and the government in its tripartism**.



- **Impact investing AUM JPY 5.8 tn** (USD 39.6 bn) according to the 2022 survey, **x4.4 growth from 2021**. Rapid growth, while debt (48%) and listed equity (34%) accounts for great majority (82%)
- **Japan Impact-Driven Financing Initiative** launched in Nov 2021. Signatories **grew from 21 to 64** in a year and half.
- **Keidanren (Japan Business Federation)** published the report titled “Utilize ‘**Impact Metrics**’ to facilitate dialogues rooted in purpose.” Also, **Impact Startup Association** established in 2022
- Under **PM Kishida’s “new form of capitalism” policy**, **Japan FSA** established the “**Working Group on Impact Investment**” in Oct 2022.

- “An impact economy is one where measurement of social and environmental impact is integrated in all economic activity; and central to government, business, investment and consumption decision”
(Impact: Reshaping Capitalism to Drive Real Change, Sir Ronald Cohen)
- **Democratizing the Impact Economy** - the role of individuals is a key to change.



About Impact Economy in Japan



インパクト志向金融宣言
Japan Impact-driven Financing Initiative



- Supporter of Impact Startups: “J Startup Impact” Program by METI

- A decade-long leadership at the center of impact investing in Japan, and now in the process of the next phase: impact investing to impact economy
- 64 signatories of major institutional investors and financial organizations since the launch in 2021.



- Promoter of Impact Investing: “Working Group on Impact Investing” published the Report by FSA



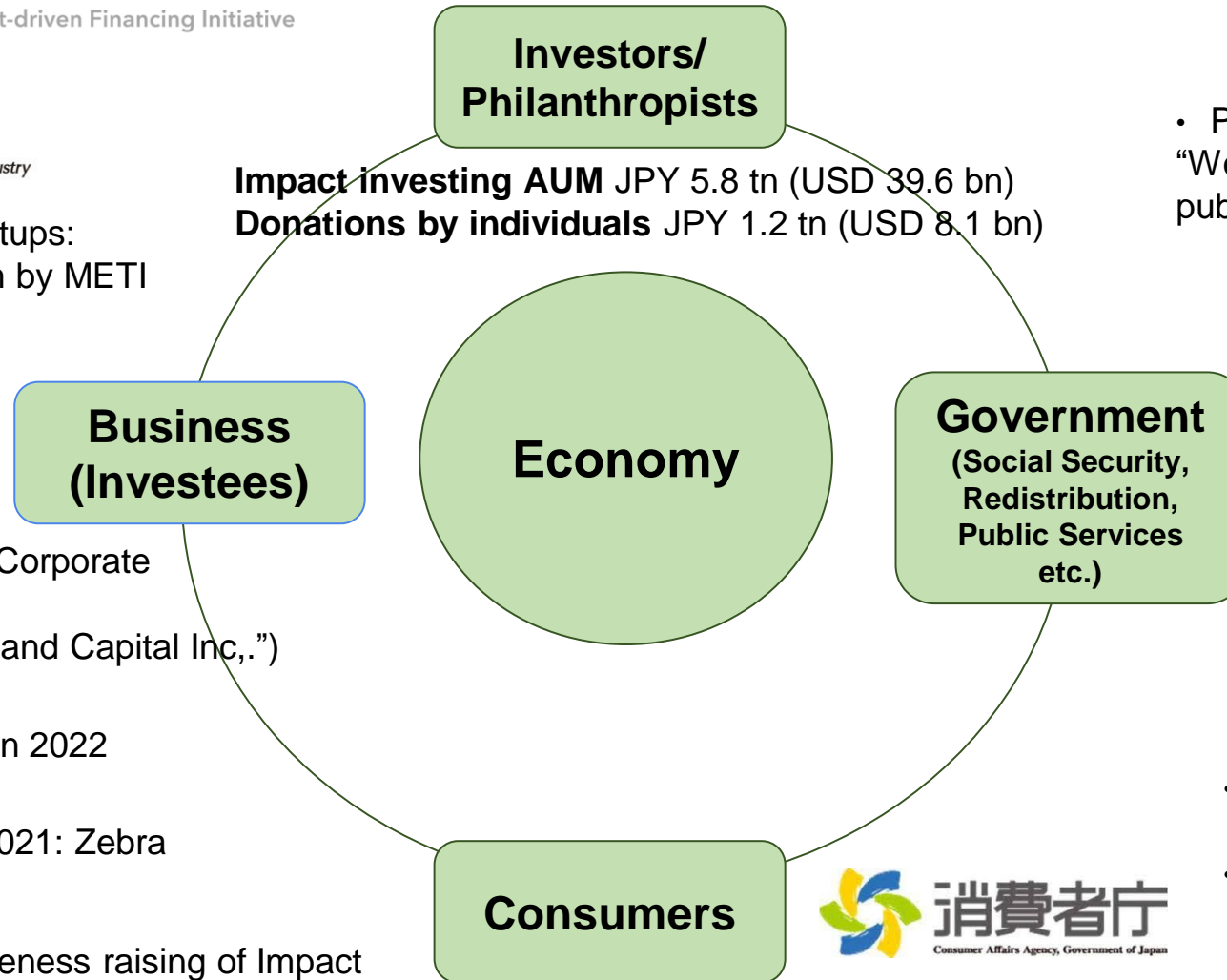
- PM Kishida Administration centers on “impact” in their national strategy for FY22/23 (Cabinet / Cabinet Secretariat)



- Promoter of PFS/SIB in the scope of public services
- PFS/SIB Office established in the Cabinet Office in 2019



- Promoter of Ethical and Sustainability Consumption (Consumers Affairs Agency, Government of Japan)



- Awareness raising of Impact companies' / B Corps' products and services : B Movement

- Keidanren (Japan Business Federation) - Report on Impact Dialogue
- Keizai Douyukai (Japan Association of Corporate Executives) - Impact Fund for Investment in Africa (“and Capital Inc.,”)
- Impact Startup Association established in 2022
- Zebras and Companies established in 2021: Zebra Movement

Key Messages

“The false can never grow into truth by growing in power”
(正しくないものが勢力を伸ばしても真実には変わることはない)

“The best does not come alone. It comes with the company of the all.”

(いちばんよいものはひとりで来ない。それはすべてのものを仲間に引きつけて来る)

(“Stray Birds” (No.258/No.210), Rabindranath Tagore, an Indian poet & thinker /

『迷い鳥』、ロビンドロナト・タゴール (詩)、川名澄 (訳))



Rabindranath Tagore
(1861-1941)
(Photo/wiki commons)



The collection of his poems, titled “Stary Birds” published in 1916 on his visit to Japan. He stayed in Sankei-en, Yokohama (Photo/Michiru TODA)

- **Keep Expanding.**
 - **Quantitative Increase** : especially in listed equity and debt (see the survey report of GSG Japan NAB , also the growing number of signatories for Japan Impact-driven Financing Initiative)
 - **Diversification** in players and asset classes such as corporate impact investing by impact-oriented listed companies, and innovative finance schemes for systems changes led by foundations and family offices.
- **Scale with integrity - the washing never grow into truth**
 - **Greater demands for transparency.** - transparent impact reporting (disclosure) in comparable way, and independent verification and certification.
 - **A transition** from a phase emphasizing compliance with existing principles and frameworks to one focusing on the **actual and tangible impact performances**
- **Impact Investing as “Normal”, and Impact Economy comes with the collective transformation.**
 - A set of common understandings are being formed;
 - **Future of Business and Corporations:** Impact investing ultimately facilitates **impact management of corporations**, which aims to balance **the creation of social value (impact)** with the **enhancement of corporate value** and thus results in a **qualitative change** in **defining corporate value**.
 - **Future of Economy:** the impact economy embeds **impact at the heart of decision-making for all economic activities** on finance, production, consumption and government.

GSG Japan NAB : <https://impactinvestment.jp/index.html>

- The Current State and Challenges of Impact Investing in Japan (FY2022 Survey, English version): <https://impactinvestment.jp/en/news/20230623.html>
- IMM Guide (Japanese only): <https://impactinvestment.jp/resources/report/20211108.html>
 - IMM Guide for Debt (Japanese only) <https://impactinvestment.jp/resources/report/20230725.html>
- Impact Investing Roundtable cohosted with Japan FSA (Japanese only): <https://impactinvestment.jp/activities/fsa-study.html>
- Impact IPO Working Group (Japanese only): <https://impactinvestment.jp/news/20230727.html>

SIIF : <https://www.siif.or.jp/en/>

- SIIF Impact Review: https://www.siif.or.jp/wp-content/uploads/2023/10/impactreport_ENGLISH.pdf
- SIIF's Vision Paper for Systems Change: https://www.siif.or.jp/wp-content/uploads/2023/10/SIIF-Vision-Paper_ENG.pdf

Japan Impact-Driven Financing Initiative: <https://www.impact-driven-finance-initiative.com/en/>

- Annual Progress Report (Japanese only): <https://www.impact-driven-finance-initiative.com/files/>

Impact Startup Association : <https://impact-startup.or.jp/en>

Keidanren “Utilize 'Impact Metrics' to facilitate dialogues rooted in purpose.” :
<https://www.keidanren.or.jp/policy/2022/060.html>

Keizai Douyukai - Impact Fund for Investment in Africa :
https://www.doyukai.or.jp/newsrelease/2022/221226_1315.html

Japan FSA “Impact Investing Roundtable”: <https://www.fsa.go.jp/singi/impact/index.html>

- Report by the Working Group on Impact Investment : https://www.fsa.go.jp/en/news/2023/20230731_3.html

Japan METI “J Startup Impact”: <https://www.meti.go.jp/press/2023/10/20231006008/20231006008.html>

Thank you.

Let's make it real. Contact to
toda.michiru@siif.or.jp
[LinkedIn](#)